

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345

Topeka, Kansas

Financial Statements

For the Year Ended June 30, 2018

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SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Financial Statements
For the Year Ended June 30, 2018

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Financial Statements
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INDEPENDENT AUDITOR'S REPORT

Board of Education
Seaman Unified School District No. 345
Topeka, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Seaman Unified School District No. 345, Topeka, Kansas, (the District), as of and for the year ended June 30, 2018 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* (KMAAG) as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Seaman Unified School District No. 345, Topeka, Kansas, as of June 30, 2018, or the respective changes in financial position and changes in cash flows, where applicable, for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District, as of June 30, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the KMAAG described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory receipts and expenditures-actual and budget, summary of regulatory receipts and disbursements-agency funds, and the schedule of regulatory receipts, expenditures and unencumbered cash-district activity funds (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statements, however they are required to be presented under the provisions of the KMAAG. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mike Houser: Company PA

Certified Public Accountants
Lawrence, Kansas

December 21, 2018

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For The Year Ended June 30, 2018

<u>Fund</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
Governmental Type Funds:							
General Funds:							
General Fund	\$ -	\$ -	\$ 23,880,134	\$ 23,879,941	\$ 193	\$ 173,505	\$ 173,698
Supplemental General	207,023	-	7,999,731	7,874,602	332,152	68,126	400,278
Special Purpose Funds:							
Special Education	3,092,005	-	7,287,803	7,596,624	2,783,184	4,106	2,787,290
Driver Education	148,696	-	50,211	36,008	162,899	-	162,899
Food Service	243,134	-	1,750,819	1,735,081	258,872	1,128	260,000
Capital Outlay	3,380,931	-	3,803,226	4,902,671	2,281,486	1,437,673	3,719,159
Vocational Education	-	-	575,951	575,951	-	-	-
Professional Development	5,370	-	55,000	60,370	-	5,454	5,454
At-Risk	-	-	2,154,959	2,154,959	-	972	972
Parent Education	-	-	26,300	26,300	-	-	-
Adult Supplemental Education	221	-	-	221	-	-	-
Summer School	69,777	-	6,400	25,000	51,177	-	51,177
4 Year Old At-Risk	-	-	120,180	120,180	-	-	-
KPERS Special Retirement Contribution	-	-	3,055,490	3,055,490	-	-	-
Gifts and Grants	88,446	-	7,636	10,105	85,977	-	85,977
Federal Grant	[31,026]	-	497,056	466,030	-	2,925	2,925
Textbook Rental	766,923	-	402,198	275,205	893,916	51,285	945,201
Sewer Assessment	10,074	-	-	10,074	-	-	-
Extraordinary School Program	56	-	-	-	56	-	56
Other Gifts and Grants	[4,928]	-	107,113	94,107	8,078	-	8,078
District Activity Funds - Gate Receipts	39,258	-	246,016	244,771	40,503	-	40,503
District Activity Funds	82,746	-	228,385	210,976	100,155	-	100,155
Bond and Interest Funds:							
Bond and Interest Fund	2,268,583	-	3,484,150	3,533,862	2,218,871	-	2,218,871
Capital Projects Fund							
Construction	473,623	-	10,639,117	11,112,740	-	1,082,992	1,082,992
Fiduciary Funds:							
Seaman Private Purpose Trust	4,539	-	-	-	4,539	-	4,539
Total	\$ 10,845,451	\$ -	\$ 66,377,875	\$ 68,001,268	\$ 9,222,058	\$ 2,828,166	\$ 12,050,224
Composition of Cash:							
Silver Lake Bank							
Checking accounts							\$ 2,193,888
Money market							9,816,845
Savings							227,228
Kaw Valley State Bank							
Checking							41,860
Savings							2,935
Certificates of Deposit							42,044
Total Cash							12,324,800
Less: Agency Funds per Schedule 3							[274,576]
Total Reporting Entity (excluding Agency Funds per Schedule 3)							\$ 12,050,224

The notes to the financial statements are an integral part of this statement.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Seaman Unified School District No. 345 (the District) is a municipal corporation governed by an elected seven-member board. This financial statement includes all the accounts for which the District is considered to be financially accountable. The District has no related municipal entities.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the District for the year ended June 30, 2018:

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Projects Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Agency Fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, student organization fund, etc.).

Fiduciary Fund - used to report assets held in a trust for others and which therefore cannot be used to support the government's own programs (i.e. permanent trust funds, etc.).

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The 2017-18 budget was not amended.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received, and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior years accounts payable and encumbrances.

Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, agency funds, and the following special purpose funds: Textbook Rental, Sewer Assessment, Extraordinary School Program, Other Gifts and Grants Fund, Gate Receipts, and District Activity Funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Actual exceeded budgeted expenditures in the Adult Supplemental Education Fund, which is a violation of K.S.A. 79-2935.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 2 - Deposits and Investments

Deposits. K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's investments were composed entirely of deposits with the Kansas Municipal Investment Pool during and as of the fiscal year ended June 30, 2017.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods." All deposits were legally secured at June 30, 2018.

At June 30, 2018, the District's carrying amount of deposits was \$12,324,800 and the bank balance was \$11,985,708. The bank balance was held by two banks, resulting in a concentration of credit risk. Of the bank balance, \$340,109 was covered by federal depository insurance and \$11,645,599 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE 3 - In-Substance Receipt in Transit

The District received \$1,375,167 in General State Aid and \$353,166 in Supplemental General State Aid subsequent to June 30, 2018 and, as required by K.S.A. 72-6466, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2018.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 4 - Long-Term Debt

The District is subject to statutes of the State of Kansas, which limit the bonded debt outstanding to 14% of the assessed valuation. The District requested and received approval under K.S.A. 75-2315 which allows the issuance of bonded debt in excess of the general bond debt limitation.

Following is a summary of changes in long-term debt for the year ended June 30, 2018:

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Original Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds:									
Series 2013A	1.5 - 5.0%	05/14/13	\$ 57,485,000	09/01/36	\$ 57,485,000	\$ -	\$ 10,989,752	\$ 46,495,248	\$ 1,671,645
Series 2017	2.0 - 3.0%	08/30/17	9,975,000	09/01/27	-	9,975,000	-	9,975,000	147,465
Certificates of Participation:									
Series 2014	2.0 - 3.5%	05/01/14	1,200,000	05/01/24	875,000	-	115,000	760,000	28,863
Lease Purchase Agreements									
Apple Lease	1.05%	06/12/15	730,082	07/15/19	475,551	-	156,864	318,687	4,993
Apple Lease	1.46%	04/15/16	1,480,833	07/05/20	1,285,637	-	314,455	971,182	18,770
Apple Lease	1.77%	06/09/17	1,028,814	07/15/21	1,028,814	-	211,602	817,212	1,821
Total Contractual Indebtedness					<u>\$ 61,150,002</u>	<u>\$ 9,975,000</u>	<u>\$ 11,787,673</u>	<u>\$ 59,337,329</u>	<u>\$ 1,873,557</u>

Annual debt service requirements to maturity for long-term debt:

<u>Year Ended June 30,</u>	<u>General Obligation Bonds</u>		
	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2019	\$ 2,195,000	\$ 1,703,700	\$ 3,898,700
2020	2,091,019	1,909,981	4,001,000
2021	2,048,570	1,980,430	4,029,000
2022	2,005,644	2,061,356	4,067,000
2023	1,955,072	2,144,928	4,100,000
2024 - 2028	12,554,943	8,308,257	20,863,200
2029 - 2033	16,805,000	5,112,100	21,917,100
2034 - 2037	16,815,000	1,386,300	18,201,300
Total	<u>\$ 56,470,248</u>	<u>\$ 24,607,052</u>	<u>\$ 81,077,300</u>

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 4 - Long-Term Debt (Continued)

Year Ended June 30,	Certificates of Participation		
	Principal Due	Interest Due	Total Due
2019	\$ 115,000	\$ 25,413	\$ 140,413
2020	120,000	21,963	141,963
2021	125,000	18,063	143,063
2022	130,000	14,000	144,000
2023	135,000	9,450	144,450
2024	135,000	4,725	139,725
Total	<u>\$ 760,000</u>	<u>\$ 93,614</u>	<u>\$ 853,614</u>

Year Ended June 30,	Capital Leases		
	Principal Due	Interest Due	Total Due
2019	\$ 676,516	\$ 31,990	\$ 708,506
2020	686,360	22,146	708,506
2021	534,494	12,154	546,648
2022	209,711	3,712	213,423
Total	<u>\$ 2,107,081</u>	<u>\$ 70,002</u>	<u>\$ 2,177,083</u>

NOTE 5 – Operating Leases

The District has a four-year operating lease for a 16 passenger bus. Lease expense for the current year was \$6,287. This lease was paid in full as of June 30, 2018.

The District has a four-year operating lease for four 16 passenger busses. As of June 30, 2018, future annual minimum lease payments are \$33,260 for next year with a payment of \$24,945 in year four of the lease. Lease expense for the current year was \$33,260.

The District has a four- year operating lease for sixteen 12 passenger busses. As of June 30, 2018, future annual minimum lease payments are \$143,040 for next year. Lease expense for the current year was \$143,040.

The District has a four-year operating lease for a 12 passenger bus. As of June 30, 2018, future annual minimum lease payments are \$10,600 for next year with a payment of \$7,950 in year four of the lease. Lease expense for the current year was \$10,600.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 6 - Interfund Transactions

Transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	At-Risk	\$ 722,807	K.S.A. 72-6478
General	Special Education	4,218,936	K.S.A. 72-6478
General	Parent Education	26,300	K.S.A. 72-6478
General	Vocational Education	224,756	K.S.A. 72-6478
General	4 Year Old At-Risk	30,950	K.S.A. 72-6478
General	Food Service	6,337	K.S.A. 72-6478
General	Capital Outlay	359,108	K.S.A. 72-6478
Title IV-A 2017-2018	Title I 2016-2017	10,789	Grant agreement
Supplemental General	At-Risk	1,432,152	K.S.A. 72-6478
Supplemental General	Special Education	1,795,712	K.S.A. 72-6478
Supplemental General	Professional Development	53,625	K.S.A. 72-6478
Supplemental General	Vocational Education	325,610	K.S.A. 72-6478
Supplemental General	4 Year Old At-Risk	85,750	K.S.A. 72-6478
		<u>\$ 9,292,832</u>	

NOTE 7 - Defined Benefit Pension Plan

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report, which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contribution rates are withheld by their employer and paid to KPERS according to provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium for the period of July 1, 2017 through September 30, 2017 for the Death and Disability Program) was 10.81 for the fiscal year ended June 30, 2017. The actuarially determined employer contribution rates was 12.01% for the fiscal year ended June 30, 2018. Per 2016 House Substitute for Senate Bill 161, Section 98(a)(1), state general fund and expanded lottery act revenue funds for employer contributions to KPERS were deferred. The amount deferred for school contributions was \$92,917,091 for the fiscal year ended June 30, 2016 and the anticipated repayments per SB249 were nullified per HB 2052 during fiscal year 2017.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 7 - Defined Benefit Pension Plan (Continued)

The State of Kansas contribution to KPERS for all school municipalities for the year ending June 30, 2017, received as of June 30th was \$304,596,361. Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64,130,234 for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million dollars per year.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$3,055,490 for the year ended June 30, 2018.

Net Pension Liability. At June 30, 2018, the District's proportionate share of the collective net pension liability reported by KPERS was \$36,959,969. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2017. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report, including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the KPERS website at www.kpers.org or can be obtained as described above.

NOTE 8 – Commitments and Contingencies

During the year ended June 30, 2013, the District issued General Obligation bonds Series 2013 A in the amounts of \$57,485,000, for the construction of a new middle school, improvements to other District facilities and sites including additions at West Indianola, Elmont, and North Fairview elementary schools and remodeling the current middle school for use as an elementary school. Construction began in fiscal year 2014, continued through 2015, 2016, and 2017 and concluded in 2018.

NOTE 9 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. Settled claims have not exceeded commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

NOTE 10 – Compensated Absences

Under the terms of the District's personnel policy, District employees are granted annual, personal and sick leave in varying amounts depending on whether the employee is hourly or contracted. The cost of this leave has not been quantified in this financial statement

NOTE 11 – Post-Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. Employees who retire with twenty or more years of service are allowed to stay on the District's health insurance and the District pays for single full coverage until the retiree reaches Medicare eligibility age. While other retirees pay the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Financial Statements
For the Year Ended June 30, 2018

NOTE 11 – Post-Employment Benefits (Continued)

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

NOTE 12 – Seaman High School Bank

Seaman High School Bank is operated as a commercial bank with its undivided profits considered District money. The balance sheet and income and transactions in undivided profits as of and for the year ended June 30, 2018 is as follows:

Seaman High School Bank
Balance Sheet
June 30, 2018

Assets:	
Cash	\$ 305,100
Certificates of deposit	<u>42,044</u>
Total assets	<u><u>\$ 347,144</u></u>
Liabilities:	
Depositors' accounts	<u>\$ 328,174</u>
Equity:	
Capital Stock	312
Undivided profits	<u>18,658</u>
Total equity	<u>18,970</u>
Total liabilities and equity	<u><u>\$ 347,144</u></u>

Income and Transactions in Undivided Profits
Year Ended June 30, 2018

Revenues:	
Interest earned	\$ 2,973
Expenses:	
Miscellaneous	<u>1,861</u>
Decrease in undivided profits	1,112
Undivided profits, beginning of year	<u>17,546</u>
Undivided profits, end of year	<u><u>\$ 18,658</u></u>

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Summary of Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2018

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Over [Under]</u>
Governmental Type Funds:						
General Funds:						
General Fund	\$ 24,074,798	\$ [194,857]	\$ -	\$ 23,879,941	\$ 23,879,941	\$ -
Supplemental General	7,874,602	-	-	7,874,602	7,874,602	-
Special Purpose Funds:						
Special Education	8,083,100	-	-	8,083,100	7,596,624	[486,476]
Driver Education	63,000	-	-	63,000	36,008	[26,992]
Food Service	1,880,991	-	-	1,880,991	1,735,081	[145,910]
Capital Outlay	6,308,863	-	-	6,308,863	4,902,671	[1,406,192]
Vocational Education	575,951	-	-	575,951	575,951	-
Professional Development	60,370	-	-	60,370	60,370	-
At-Risk	2,316,075	-	-	2,316,075	2,154,959	[161,116]
Parent Education Program	26,300	-	-	26,300	26,300	-
Adult Supplemental Education	-	-	-	-	221	221
Summer School	25,000	-	-	25,000	25,000	-
4 Year Old At-Risk	120,180	-	-	120,180	120,180	-
KPERs Special Retirement Contribution	3,168,001	-	-	3,168,001	3,055,490	[112,511]
Gifts and Grants	100,000	-	-	100,000	10,105	[89,895]
Federal Grant	522,000	-	-	522,000	466,030	[55,970]
Bond and Interest Fund:						
Bond and Interest	3,596,647	-	-	3,596,647	3,533,862	[62,785]

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2018

	Actual	Budget	Variance Over [Under]
Receipts			
State aid			
General state aid	\$ 19,661,005	\$ 19,727,784	\$ [66,779]
Special education state aid	4,218,936	4,347,014	[128,078]
Miscellaneous	193	-	193
Total Receipts	<u>23,880,134</u>	<u>\$ 24,074,798</u>	<u>\$ [194,664]</u>
Expenditures			
Instruction	10,916,349	\$ 10,907,000	\$ 9,349
Student support services	170,071	137,030	33,041
Instructional support staff	1,597,036	1,341,000	256,036
General administration	1,140,157	1,020,000	120,157
Central services	223,433	222,250	1,183
Operations and maintenance	2,735,964	2,610,000	125,964
Transportation	1,507,737	1,414,300	93,437
Transfers out	5,589,194	6,423,218	[834,024]
Adjustment to comply with legal max budget	-	[194,857]	194,857
Total Expenditures	<u>23,879,941</u>	<u>\$ 23,879,941</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	193		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	<u>\$ 193</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Taxes and Shared Revenue:			
Ad valorem property tax	\$ 3,995,431	\$ 4,161,923	\$ [166,492]
Delinquent tax	36,483	17,093	19,390
Motor vehicle tax	543,860	483,169	60,691
Recreational vehicle tax	-	7,059	[7,059]
Commercial vehicle tax	-	35,242	[35,242]
State aid	<u>3,423,957</u>	<u>3,421,714</u>	<u>2,243</u>
 Total Receipts	 <u>7,999,731</u>	 <u>\$ 8,126,200</u>	 <u>\$ [126,469]</u>
Expenditures			
Instruction	900,759	\$ 824,446	\$ 76,313
Student support services	768,726	1,011,500	[242,774]
School administration	1,662,551	1,782,300	[119,749]
Operations and maintenance	849,717	912,228	[62,511]
Transfers out	3,692,849	3,405,854	286,995
Adjustment to comply with legal max budget	<u>-</u>	<u>[61,726]</u>	<u>61,726</u>
 Total Expenditures	 <u>7,874,602</u>	 <u>\$ 7,874,602</u>	 <u>\$ -</u>
 Receipts Over [Under] Expenditures	 125,129		
 Unencumbered Cash, Beginning	 <u>207,023</u>		
 Unencumbered Cash, Ending	 <u>\$ 332,152</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Federal aid	\$ 716,053	\$ 725,000	\$ [8,947]
State aid	24,582	-	24,582
Medicaid	455,206	425,000	30,206
Investment income	77,314	-	77,314
Transfers in	<u>6,014,648</u>	<u>6,082,014</u>	<u>[67,366]</u>
Total Receipts	<u>7,287,803</u>	<u>\$ 7,232,014</u>	<u>\$ 55,789</u>
Expenditures			
Instruction	4,683,367	\$ 5,291,700	\$ [608,333]
Student support services	1,747,129	1,595,500	151,629
Instructional support staff	9,662	12,500	[2,838]
General administration	296,026	375,100	[79,074]
Transportation	<u>860,440</u>	<u>808,300</u>	<u>52,140</u>
Total Expenditures	<u>7,596,624</u>	<u>\$ 8,083,100</u>	<u>\$ [486,476]</u>
Receipts Over [Under] Expenditures	[308,821]		
Unencumbered Cash, Beginning	<u>3,092,005</u>		
Unencumbered Cash, Ending	<u>\$ 2,783,184</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Driver Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
State aid	\$ 19,452	\$ 37,800	\$ [18,348]
Miscellaneous	<u>30,759</u>	<u>50,000</u>	<u>[19,241]</u>
Total Receipts	<u>50,211</u>	<u>\$ 87,800</u>	<u>\$ [37,589]</u>
Expenditures			
Instruction	<u>36,008</u>	<u>\$ 63,000</u>	<u>\$ [26,992]</u>
Total Expenditures	<u>36,008</u>	<u>\$ 63,000</u>	<u>\$ [26,992]</u>
Receipts Over [Under] Expenditures	14,203		
Unencumbered Cash, Beginning	<u>148,696</u>		
Unencumbered Cash, Ending	<u>\$ 162,899</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Federal aid	\$ 941,867	\$ 864,666	\$ 77,201
State aid	19,913	16,786	3,127
Charges for services	777,639	739,710	37,929
Investment income	3,930	-	3,930
Transfer in	6,337	-	6,337
Miscellaneous	<u>1,133</u>	<u>-</u>	<u>1,133</u>
Total Receipts	<u>1,750,819</u>	<u>\$ 1,621,162</u>	<u>\$ 129,657</u>
Expenditures			
Food service operation	1,690,453	\$ 1,807,772	\$ [117,319]
Operations and maintenance	<u>44,628</u>	<u>73,219</u>	<u>[28,591]</u>
Total Expenditures	<u>1,735,081</u>	<u>\$ 1,880,991</u>	<u>\$ [145,910]</u>
Receipts Over [Under] Expenditures	15,738		
Unencumbered Cash, Beginning	<u>243,134</u>		
Unencumbered Cash, Ending	<u>\$ 258,872</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Taxes and Shared Revenue:			
Ad valorem property tax	\$ 1,815,269	\$ 1,749,241	\$ 66,028
Delinquent tax	18,169	9,567	8,602
Motor vehicle tax	274,491	242,190	32,301
Recreational vehicle tax	-	3,538	[3,538]
Commercial vehicle tax	-	17,665	[17,665]
Investment income	99,138	-	99,138
Miscellaneous	150,064	10,074	139,990
State aid	653,574	659,596	[6,022]
Transfer in	359,108	719,724	[360,616]
Reimbursement	<u>433,413</u>	<u>-</u>	<u>433,413</u>
Total Receipts	<u>3,803,226</u>	<u>\$ 3,411,595</u>	<u>\$ 391,631</u>
Expenditures			
Instruction	1,381,292	\$ 2,000,000	\$ [618,708]
Operations and maintenance	97,958	75,000	22,958
Transportation	87,513	450,000	[362,487]
Other support services	-	510,000	[510,000]
Site and building improvements	3,190,545	3,130,000	60,545
Debt service	<u>145,363</u>	<u>143,863</u>	<u>1,500</u>
Total Expenditures	<u>4,902,671</u>	<u>\$ 6,308,863</u>	<u>\$ [1,406,192]</u>
Receipts Over [Under] Expenditures	[1,099,445]		
Unencumbered Cash, Beginning	<u>3,380,931</u>		
Unencumbered Cash, Ending	<u>\$ 2,281,486</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Vocational Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
State aid	\$ 3,984	\$ 4,350	\$ [366]
Federal aid	21,601	21,601	-
Transfers in	<u>550,366</u>	<u>550,000</u>	<u>366</u>
Total Receipts	<u>575,951</u>	<u>\$ 575,951</u>	<u>\$ -</u>
Expenditures			
Instruction	575,451	\$ 568,951	\$ 6,500
Instructional support staff	<u>500</u>	<u>7,000</u>	<u>[6,500]</u>
Total Expenditures	<u>575,951</u>	<u>\$ 575,951</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
State aid	\$ 1,375	\$ -	\$ 1,375
Transfers in	<u>53,625</u>	<u>55,000</u>	<u>[1,375]</u>
Total Receipts	<u>55,000</u>	<u>\$ 55,000</u>	<u>\$ -</u>
Expenditures			
Instructional support	<u>60,370</u>	<u>\$ 60,370</u>	<u>\$ -</u>
Total Expenditures	<u>60,370</u>	<u>\$ 60,370</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[5,370]		
Unencumbered Cash, Beginning	<u>5,370</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
At-Risk Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Federal aid	\$ -	\$ 10,000	\$ [10,000]
Miscellaneous	-	221	[221]
Transfer in	<u>2,154,959</u>	<u>2,305,854</u>	<u>[150,895]</u>
Total Receipts	<u>2,154,959</u>	<u>\$ 2,316,075</u>	<u>\$ [161,116]</u>
Expenditures			
Instruction	<u>2,154,959</u>	<u>\$ 2,316,075</u>	<u>\$ [161,116]</u>
Total Expenditures	<u>2,154,959</u>	<u>\$ 2,316,075</u>	<u>\$ [161,116]</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Parent Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Transfers in	\$ 26,300	\$ 26,300	\$ -
Total Receipts	<u>26,300</u>	<u>\$ 26,300</u>	<u>\$ -</u>
Expenditures			
Student support services	<u>26,300</u>	<u>\$ 26,300</u>	<u>\$ -</u>
Total Expenditures	<u>26,300</u>	<u>\$ 26,300</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Adult Supplemental Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over [Under]</u>
Receipts			
Charges for services	\$ -	\$ -	\$ -
Total Receipts	-	\$ -	\$ -
Expenditures			
Instruction	221	\$ -	\$ 221
Total Expenditures	221	\$ -	\$ 221
Receipts Over [Under] Expenditures	[221]		
Unencumbered Cash, Beginning	221		
Unencumbered Cash, Ending	\$ -		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Summer School Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Tuition	\$ 6,400	\$ 10,000	\$ [3,600]
Total Receipts	<u>6,400</u>	<u>\$ 10,000</u>	<u>\$ [3,600]</u>
Expenditures			
Instruction	<u>25,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>
Total Expenditures	<u>25,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[18,600]		
Unencumbered Cash, Beginning	<u>69,777</u>		
Unencumbered Cash, Ending	<u>\$ 51,177</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
4 Year Old At-Risk Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Miscellaneous	\$ 3,480	\$ -	\$ 3,480
Transfer in	<u>116,700</u>	<u>120,180</u>	<u>[3,480]</u>
Total Receipts	<u>120,180</u>	<u>\$ 120,180</u>	<u>\$ -</u>
Expenditures			
Instruction	60,205	\$ 120,180	\$ [59,975]
Transportation	<u>59,975</u>	<u>-</u>	<u>59,975</u>
Total Expenditures	<u>120,180</u>	<u>\$ 120,180</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
KPERS Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
State aid	\$ 3,055,490	\$ 3,168,001	\$ [112,511]
Total Receipts	<u>3,055,490</u>	<u>\$ 3,168,001</u>	<u>\$ [112,511]</u>
Expenditures			
Instruction	2,016,623	\$ 2,090,880	\$ [74,257]
Student support services	183,329	190,080	[6,751]
Instructional support staff	122,220	126,720	[4,500]
General administration	61,110	63,361	[2,251]
School administration	213,884	221,760	[7,876]
Central services	30,555	31,680	[1,125]
Operations and maintenance	183,329	190,080	[6,751]
Transportation	152,775	158,399	[5,624]
Food service	91,665	95,041	[3,376]
Total Expenditures	<u>3,055,490</u>	<u>\$ 3,168,001</u>	<u>\$ [112,511]</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Gifts and Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Contributions and donations	\$ 1,961	\$ 25,000	\$ [23,039]
Miscellaneous	<u>5,675</u>	<u>-</u>	<u>5,675</u>
Total Receipts	<u>7,636</u>	<u>\$ 25,000</u>	<u>\$ [17,364]</u>
Expenditures			
Instruction	5,860	\$ 100,000	\$ [94,140]
Instructional support staff	1,570	-	1,570
Food service	<u>2,675</u>	<u>-</u>	<u>2,675</u>
Total Expenditures	<u>10,105</u>	<u>\$ 100,000</u>	<u>\$ [89,895]</u>
Receipts Over [Under] Expenditures	[2,469]		
Unencumbered Cash, Beginning	<u>88,446</u>		
Unencumbered Cash, Ending	<u>\$ 85,977</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Federal Grant Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2018

	Title I <u>2016-2017</u>	Title VI-B <u>2017-2018</u>	Title VI-B <u>2016-2017</u>	Title VI-B <u>2015-2016</u>
Receipts				
Federal aid	\$ 343,395	\$ 25,035	\$ 27,035	\$ -
Transfer in	<u>10,789</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	<u>354,184</u>	<u>25,035</u>	<u>27,035</u>	<u>-</u>
Expenditures				
Instruction	354,184	5,655	6,291	-
Transfer out	-	-	-	-
Instructional support staff	<u>-</u>	<u>19,380</u>	<u>-</u>	<u>[10,282]</u>
Total Expenditures	<u>354,184</u>	<u>25,035</u>	<u>6,291</u>	<u>[10,282]</u>
Receipts Over [Under] Expenditures	-	-	20,744	10,282
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>	<u>[20,744]</u>	<u>[10,282]</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Title IV-A</u> <u>2017-2018</u>	<u>Title II-A</u> <u>2017-2018</u>	<u>Actual</u>	<u>Total</u> <u>Budget</u>	<u>Variance</u> <u>Over</u> <u>[Under]</u>
\$ 10,789	\$ 80,013	\$ 486,267	\$ 583,657	\$ [97,390]
-	-	10,789	-	10,789
<u>10,789</u>	<u>80,013</u>	<u>497,056</u>	<u>\$ 583,657</u>	<u>\$ [86,601]</u>
-	-	366,130	\$ 412,000	\$ [45,870]
10,789	-	10,789	-	10,789
-	80,013	89,111	110,000	[20,889]
<u>10,789</u>	<u>80,013</u>	<u>466,030</u>	<u>\$ 522,000</u>	<u>\$ [55,970]</u>
-	-	31,026		
-	-	[31,026]		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Textbook Rental Fund*
Schedule of Receipts and Expenditures - Actual Only
Regulatory Basis
For The Year Ended June 30, 2018

Receipts	
Charges for services	<u>\$ 402,198</u>
Total Receipts	<u>402,198</u>
Expenditures	
Instruction	<u>275,205</u>
Total Expenditures	<u>275,205</u>
Receipts Over [Under] Expenditures	126,993
Unencumbered Cash, Beginning	<u>766,923</u>
Unencumbered Cash, Ending	<u>\$ 893,916</u>

* This fund is not required to be budgeted.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Sewer Assessment Fund*
Schedule of Receipts and Expenditures - Actual Only
Regulatory Basis
For The Year Ended June 30, 2018

Receipts	
Delinquent tax	\$ -
Total Receipts	-
Expenditures	
Capital outlay	10,074
Total Expenditures	10,074
Receipts Over [Under] Expenditures	[10,074]
Unencumbered Cash, Beginning	10,074
Unencumbered Cash, Ending	\$ -

* This fund is not required to be budgeted.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Extraordinary School Program Fund*
Schedule of Receipts and Expenditures - Actual Only
Regulatory Basis
For The Year Ended June 30, 2018

Receipts	
Reimbursement of expenses	\$ <u>-</u>
Total Receipts	<u>-</u>
Expenditures	
Instruction	<u>-</u>
Total Expenditures	<u>-</u>
Receipts Over [Under] Expenditures	-
Unencumbered Cash, Beginning	<u>56</u>
Unencumbered Cash, Ending	<u><u>\$ 56</u></u>

* This fund is not required to be budgeted.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Other Gifts and Grants Fund*
Schedule of Receipts and Expenditures - Actual Only
Regulatory Basis
For The Year Ended June 30, 2018

Receipts	
Federal aid	<u>\$ 107,113</u>
Total Receipts	<u>107,113</u>
Expenditures	
Instruction	78,983
Instructional support staff	<u>15,124</u>
Total Expenditures	<u>94,107</u>
Receipts Over [Under] Expenditures	13,006
Unencumbered Cash, Beginning	<u>[4,928]</u>
Unencumbered Cash, Ending	<u>\$ 8,078</u>

* This fund is not required to be budgeted.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For The Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	Variance Over <u>[Under]</u>
Receipts			
Taxes and Shared Revenues:			
Ad valorem property tax	\$ 1,880,118	\$ 1,816,499	\$ 63,619
Delinquent tax	22,050	11,523	10,527
Motor vehicle tax	287,189	250,769	36,420
Recreational vehicle tax	-	3,664	[3,664]
Commercial vehicle tax	-	18,291	[18,291]
State aid	<u>1,294,793</u>	<u>1,294,793</u>	<u>-</u>
 Total Receipts	 <u>3,484,150</u>	 <u>\$ 3,395,539</u>	 <u>\$ 88,611</u>
 Expenditures			
Principal	1,714,752	\$ 1,714,752	\$ -
Interest	<u>1,819,110</u>	<u>1,881,895</u>	<u>[62,785]</u>
 Total Expenditures	 <u>3,533,862</u>	 <u>\$ 3,596,647</u>	 <u>\$ [62,785]</u>
 Receipts Over [Under] Expenditures	 [49,712]		
 Unencumbered Cash, Beginning	 <u>2,268,583</u>		
 Unencumbered Cash, Ending	 <u>\$ 2,218,871</u>		

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Construction Fund*
Schedule of Receipts and Expenditures - Actual Only
Regulatory Basis
For The Year Ended June 30, 2018

Receipts	
Bond proceeds	\$ 9,975,000
Bond premium	649,526
Interest income	<u>14,591</u>
Total Receipts	<u>10,639,117</u>
Expenditures	
Principal	9,446,796
Payment to escrow agent	1,173,809
Site and building improvements	<u>492,135</u>
Total Expenditures	<u>11,112,740</u>
Receipts Over [Under] Expenditures	[473,623]
Unencumbered Cash, Beginning	<u>473,623</u>
Unencumbered Cash, Ending	<u>\$ -</u>

* This fund is not required to be budgeted.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Private Purpose Trust Funds*
Schedule of Receipts and Expenditures - Actual Only
Regulatory Basis
For The Year Ended June 30, 2018

Receipts	
Delinquent tax	\$ -
Total Receipts	-
Expenditures	
Instruction	-
Total Expenditures	-
Receipts Over [Under] Expenditures	-
Unencumbered Cash, Beginning	4,539
Unencumbered Cash, Ending	\$ 4,539

* This fund is not required to be budgeted.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Student Organization Funds and Other Agency Funds
Summary of Receipts and Disbursements - Actual
Regulatory Basis
For The Year Ended June 30, 2018

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
<u>STUDENT ORGANIZATION FUNDS</u>				
<u>ELEMENTARY SCHOOLS</u>				
Elmont	\$ 7,968	\$ 14,662	\$ 12,846	\$ 9,784
Logan	6,344	19,279	13,268	12,355
Northern Hills	14,511	18,729	13,126	20,114
North Fairview	10,332	8,290	8,292	10,330
West Indianola	7,955	13,422	10,197	11,180
Total Elementary School Student Organization Funds	<u>47,110</u>	<u>74,382</u>	<u>57,729</u>	<u>63,763</u>
<u>MIDDLE SCHOOL</u>				
Seaman Middle School				
Dance	4,372	8,229	8,895	3,706
Cheerleading	4,424	9,808	11,730	2,502
Spirit Squad	849	1,209	1,143	915
Stuco	4,718	8,455	10,011	3,162
Yearbook	1,974	6,171	7,330	815
Miscellaneous	104	-	-	104
Faculty	2,131	-	-	2,131
FCCLA	580	8,234	8,003	811
Drama	4,646	1,908	2,033	4,521
Band	187	2,326	2,290	223
N.J.H.S.	386	463	596	253
Industrial tech	1,191	274	19	1,446
Invitational school	7,650	62,725	59,643	10,732
Power club	401	-	-	401
PE	-	522	65	457
Petty cash	-	763	763	-
Total Seaman Middle School Student Organization Funds	<u>33,613</u>	<u>111,087</u>	<u>112,521</u>	<u>32,179</u>
Total Middle School Student Organization Funds	<u>33,613</u>	<u>111,087</u>	<u>112,521</u>	<u>32,179</u>
<u>HIGH SCHOOL</u>				
Seaman High School				
ACT Prep	20	3,180	3,090	110
ACT Review	52	3,190	2,992	250
Adventure Club	-	274	228	46
Allen community college	28	-	-	28
Alumni classes	13,458	-	-	13,458
Art club	130	152	245	37
Asian culture club	25	3	-	28
Biology club	1,097	-	-	1,097
Bionic club	127	1,547	1,651	23
Broadway	20,754	8,405	7,764	21,395
Bully T's	77	-	-	77
Cabinet making	1,031	130	149	1,012
Cardinal characters	70	-	-	70
Centennial league	1,131	8,350	7,207	2,274
Cheerleaders	5,621	61,001	47,933	18,689
Class of 2015	690	-	-	690
Class of 2016	1,029	-	-	1,029
Class of 2017	124	-	-	124
Class of 2018	1,100	997	1,102	995
Class of 2019	5,634	28,583	31,598	2,619
Class of 2020	-	6,949	-	6,949
Clipper	339	1,103	1,150	292
Close-up	127	1,249	1,340	36
Coach's clinic	4,977	6,525	6,681	4,821
Subtotals to Schedule 3, page 2 of 3	<u>57,641</u>	<u>131,638</u>	<u>113,130</u>	<u>76,149</u>

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Student Organization Funds and Other Agency Funds
Summary of Receipts and Disbursements - Actual
Regulatory Basis
For The Year Ended June 30, 2018

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
<u>STUDENT ORGANIZATION FUNDS</u>				
<u>HIGH SCHOOL</u>				
Seaman High School				
Subtotals from Schedule 3, page 1 of 3	\$ 57,641	\$ 131,638	\$ 113,130	\$ 76,149
Crime stoppers	472	-	-	472
Disc golf	24	-	-	24
Diversity club	32	-	-	32
Europe trip	-	6,364	6,181	183
E-2020	620	-	-	620
Fall into fitness	41,752	6,841	2,116	46,477
FBLA	831	15,487	12,644	3,674
FCA	169	298	379	88
FCCLA	124	4,309	3,956	477
Feed the children	584	250	135	699
FFA	-	11,773	10,483	1,290
File memorial	100	-	-	100
Fishing club	282	1,715	1,272	725
Football	2,088	19,477	18,609	2,956
French club	19	9	10	18
Friends of Rachel	76	-	-	76
German club	91	9	-	100
History day	1,816	26,679	26,448	2,047
Interact	524	3,576	3,198	902
Intersectional Feminist Club	-	512	499	13
Intl Thespian society	4,671	20,321	19,116	5,876
Jared Education	-	6,295	6,295	-
KAHKA	435	611	400	646
Key club	286	8,566	8,495	357
Leadership club	136	558	269	425
Math club	551	587	369	769
Midwest dairy	-	1,820	302	1,518
Model UN	36	415	430	21
National honor society	1,007	1,391	1,153	1,245
National tourney	1,026	3,672	3,250	1,448
Orchestra	6,617	30,586	32,903	4,300
Patron of the arts	1,240	563	1,348	455
Picture perfect	31	-	31	-
Robotics club	1,021	180	541	660
Runners club	1,751	5,077	5,208	1,620
SABC - Norse Nook	-	671	300	371
SADD	74	-	-	74
Sea Mapp	7,748	20,853	28,520	81
SFC biology	128	-	-	128
Softball	1,504	4,589	4,837	1,256
Spanish club	59	21	58	22
Spirit club	-	1,759	1,397	362
Student council	2,984	10,552	10,717	2,819
Study abroad	6	120	120	6
SVTV	1,690	100	1,254	536
Swimming	1,192	8,616	8,705	1,103
Target	1,500	-	883	617
Technical writing	12	-	-	12
Subtotals to Schedule 3, page 3 of 3	<u>142,950</u>	<u>356,860</u>	<u>335,961</u>	<u>163,849</u>

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Student Organization Funds and Other Agency Funds
Summary Receipts and Disbursements - Actual
Regulatory Basis
For The Year Ended June 30, 2018

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
<u>STUDENT ORGANIZATION FUNDS</u>				
HIGH SCHOOL				
Seaman High School				
Subtotals from Schedule 3, page 2 of 3	\$ 142,950	\$ 356,860	\$ 335,961	\$ 163,849
Tri-M honor society	493	-	-	493
Vikettes	1,962	9,543	8,945	2,560
Viking supply shack	560	231	201	590
Welding	2,416	1,274	2,557	1,133
Woodworking	6,351	1,586	4,125	3,812
Writing center	1,039	-	685	354
Writing club	-	171	171	-
Yearbook	6,121	31,074	29,146	8,049
Yearbook scholarship	-	1,474	500	974
Total Seaman High School Student Organization Funds	<u>161,892</u>	<u>402,213</u>	<u>382,291</u>	<u>181,814</u>
Total Student Organization Funds	<u>242,615</u>	<u>587,682</u>	<u>552,541</u>	<u>277,756</u>
Unclaimed Property Fund	<u>[3,180]</u>	<u>-</u>	<u>-</u>	<u>[3,180]</u>
Total Agency Funds	<u>\$ 239,435</u>	<u>\$ 587,682</u>	<u>\$ 552,541</u>	<u>\$ 274,576</u>

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
District Activity Funds
Athletic Gate Receipts
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For The Year Ended June 30, 2018

<u>FUND</u>	Beginning Unencumbered Cash <u>Balance</u>	Prior Year Cancelled <u>Encumbrances</u>	<u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered Cash <u>Balance</u>	Add Outstanding Encumbrances and Accounts <u>Payable</u>	Ending Cash <u>Balance</u>
GATE RECEIPTS							
Seaman Middle School	\$ 8,113	\$ -	\$ 23,634	\$ 29,346	\$ 2,401	\$ -	\$ 2,401
Seaman High School	<u>31,145</u>	<u>-</u>	<u>222,382</u>	<u>215,425</u>	<u>38,102</u>	<u>-</u>	<u>38,102</u>
Total Gate Receipts	<u>\$ 39,258</u>	<u>\$ -</u>	<u>\$ 246,016</u>	<u>\$ 244,771</u>	<u>\$ 40,503</u>	<u>\$ -</u>	<u>\$ 40,503</u>

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For The Year Ended June 30, 2018

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Seaman High School							
Advance placement	\$ 604	\$ -	\$ 1,044	\$ 960	\$ 688	\$ -	\$ 688
Art department	335	-	-	141	194	-	194
Baseball	7,905	-	5,816	10,162	3,559	-	3,559
Boys basketball	1,284	-	17,068	11,879	6,473	-	6,473
Boys golf	232	-	631	773	90	-	90
Caps and gowns	66	-	-	-	66	-	66
College and career intern	25	-	-	-	25	-	25
Concert choir	788	-	696	655	829	-	829
Donation Austin Freeman	127	-	-	-	127	-	127
D Schmidt Scol. Fund	1,108	-	10,100	11,188	20	-	20
Driver's education	7,000	-	4,725	7,700	4,025	-	4,025
Faculty fund	53	-	400	43	410	-	410
Faculty recognition	3,890	-	8,754	10,278	2,366	-	2,366
Girls basketball	566	-	3,018	2,942	642	-	642
Girls golf	572	-	391	327	636	-	636
Girls soccer	-	-	4,081	3,200	881	-	881
Girls tennis	54	-	-	-	54	-	54
Guidance department	76	-	225	225	76	-	76
Habitat	1,028	-	800	953	875	-	875
Industrial tech club	195	-	1,927	1,300	822	-	822
Library	42	-	264	71	235	-	235
Lyman staff	150	-	-	150	-	-	-
Math department	4,184	-	860	241	4,803	-	4,803
Parking permits	1,023	-	8,340	8,998	365	-	365
Petty cash - Monaghan	-	-	1,500	1,500	-	-	-
Pop fund faculty	5,111	-	58	5,169	-	-	-
PSAT	150	-	556	600	106	-	106
Scholars bowl	488	-	1,911	2,204	195	-	195
Seaman activates	401	-	-	-	401	-	401
Seaman soccer	322	-	-	-	322	-	322
SHARP	972	-	6,702	7,328	346	-	346
Show choir	5,852	-	11,359	12,734	4,477	-	4,477
Subtotal	44,603	-	91,226	101,721	34,108	-	34,108

See independent auditor's report on the financial statements.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2017

<u>Fund</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
HIGH SCHOOL							
Seaman High School							
Subtotal forward	\$ 44,603	\$ -	\$ 91,226	\$ 101,721	\$ 34,108	\$ -	\$ 34,108
SHS drill team	-	-	227	227	-	-	-
Special ED	811	-	900	619	1,092	-	1,092
Sports department pop	3,647	-	5,545	6,515	2,677	-	2,677
Student recognition	1,038	-	7,048	6,838	1,248	-	1,248
Summer school	2,475	-	525	-	3,000	-	3,000
Super O.A.	4,548	-	-	2,094	2,454	-	2,454
Thespian festival	-	-	-	-	-	-	-
Track	1,208	-	3,286	3,540	954	-	954
USD #345 - petty cash	1,500	-	1,736	1,936	1,300	-	1,300
Viking bank	20,468	-	81,803	58,814	43,457	-	43,457
Viking book club	386	-	-	391	[5]	-	[5]
Viking brew	-	-	6,366	2,748	3,618	-	3,618
Viking concessions	9	-	18,194	18,148	55	-	55
Viking united	1,020	-	1,871	1,269	1,622	-	1,622
Volleyball	975	-	491	480	986	-	986
Work Study	35	-	-	-	35	-	35
Wrestling	23	-	9,167	5,636	3,554	-	3,554
Total all funds	<u>\$ 82,746</u>	<u>\$ -</u>	<u>\$ 228,385</u>	<u>\$ 210,976</u>	<u>\$ 100,155</u>	<u>\$ -</u>	<u>\$ 100,155</u>

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Schedule of Expenditures of Federal Awards
For The Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash (Restated)	Receipts	Transfers	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Education</u>						
Fund for the Improvement of Education	84.215F	\$ [7,162]	\$ 107,113	\$ -	\$ 94,107	\$ 5,844
Passed through Kansas Department of Education						
Title I, Grants to Local Educational Agencies	84.010	-	343,395	10,789	354,184	-
Special Education Cluster:						
Grants to State (IDEA Part B):						
Title VI-B	84.027	[178,630]	745,160	-	820,489	[253,959]
Preschool Grants (IDEA Preschool) - Early Childhood	84.173	[2,558]	22,963	-	38,466	[18,061]
Total Special Education Cluster		[181,188]	768,123	-	858,955	[272,020]
Carl Perkins	84.048	-	22,289	-	22,289	-
Title II-A Teacher Quality	84.367	-	80,243	-	80,243	-
Student Support Academic Enrichment	84.424A	-	10,789	[10,789]	-	-
Total Passed through Kansas Department of Education		[181,188]	1,224,839	-	1,315,671	[272,020]
Total U.S. Department of Education		[188,350]	1,331,952	-	1,409,778	[266,176]
<u>U.S. Department of Health and Human Services</u>						
Passed through Kansas Department of Education						
Youth Risk Behavior Survey	93.079	-	445	-	445	-
477 Cluster:						
TANF - Early Learning	93.558	-	3,480	-	3,480	-
Total 477 Cluster		-	3,480	-	3,480	-
Total Passed through Kansas Department of Education		-	3,925	-	3,925	-
Total U.S. Department of Health and Human Services		-	3,925	-	3,925	-
<u>U.S. Department of Agriculture</u>						
Passed through Kansas Department of Education						
Child Nutrition Cluster:						
School Breakfast Program	10.553	-	128,049	-	128,049	-
National School Lunch Program	10.555	-	748,242	-	748,242	-
Summer Food Service Program for Children	10.559	-	41,652	-	41,652	-
Total Child Nutrition Cluster		-	917,943	-	917,943	-
Federal School Food Service	10.560	-	24,682	-	24,682	-
NSLP Equipment	10.582	-	23,269	-	23,269	-
Total U.S. Department of Agriculture		-	965,894	-	965,894	-
Total		\$ [188,350]	\$ 2,301,771	\$ -	\$ 2,379,597	\$ [266,176]

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

1. Organization

Seaman Unified School District No. 345, Topeka, Kansas, (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. The District elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position at June 30, 2018.

5. Outstanding Loans

The District did not have any outstanding loans under any federal grants at June 30, 2018.

6. Pass Through Numbers

Pass through numbers have not been assigned to pass through grants on the schedule of expenditures of federal awards.

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified (Regulatory Basis)
Adverse (GAAP)

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency (ies) identified that are not
considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency (ies) identified that are not
considered to be material weaknesses? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be
reported in accordance with the Uniform Guidance? _____ Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173	Special Education Cluster
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between
type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ Yes X No

SEAMAN UNIFIED SCHOOL DISTRICT NO. 345

Schedule of Findings and Questioned Costs (Continued)
For The Year Ended June 30, 2018

Section II – Financial Statement Findings

Current Year Findings

None Noted

Prior Year Findings

None Noted

Section III – Federal Award Findings and Questioned Costs

Current Year Findings

None Noted

Prior Year Findings

None Noted

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"**

Board of Education
Seaman Unified School District No. 345
Topeka, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Kansas Municipal Audit and Accounting Guide, the financial statements of the Seaman Unified School District No. 345, (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 21, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal controls exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mike Houser: Company PA

Certified Public Accountants
Lawrence, Kansas

December 21, 2018



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education
Seaman Unified School District No. 345
Topeka, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Seaman Unified School District No. 345, (the District) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United State of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the Kansas Municipal Audit and Accounting Guide. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mig Houser: Company PA

Certified Public Accountants
Lawrence, Kansas

December 21, 2018